

## 9100 Tax Relief

California taxpayers are provided assistance through a variety of tax relief programs. Additional relief is provided to low-income senior citizens and disabled persons. Tax relief also is provided to individuals who agree to hold their land as open space under the Williamson Act of 1965. This budget also provides payments to cities and counties to help defray revenues lost as a result of tax relief programs.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
10 Senior Citizens' Property Tax Assistance	-	-	-	\$38,836	\$-	\$-
20 Senior Citizens' Property Tax Deferral Program	-	-	-	11,815	19,300	-
30 Senior Citizen Renters' Tax Assistance	-	-	-	146,529	-	-
50 Homeowners' Property Tax Relief	-	-	-	434,269	439,393	444,578
60 Subventions for Open Space	-	-	-	37,649	-	-
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	-	-	-	<b>\$669,098</b>	<b>\$458,693</b>	<b>\$444,578</b>
<b>FUNDING</b>				<b>2007-08*</b>	<b>2008-09*</b>	<b>2009-10*</b>
0001 General Fund				\$669,098	\$458,693	\$444,578
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$669,098</b>	<b>\$458,693</b>	<b>\$444,578</b>

### LEGAL CITATIONS AND AUTHORITY

#### PROGRAM AUTHORITY

10-Senior Citizens' Property Tax Assistance:

Revenue and Taxation Code, Division 2, Part 10.5.

20-Senior Citizens' Property Tax Deferral Program:

California Constitution, Article XIII, Section 8.5; Revenue and Taxation Code, Division 2, Part 10.5; Government Code, Division 4, Part 1, Chapter 5.

30-Senior Citizen Renters' Tax Assistance:

Revenue and Taxation Code, Division 2, Part 10.5.

50-Homeowners' Property Tax Relief:

California Constitution, Article XIII, Sections 3 and 25; Government Code Sections 16100-16101.5 and 16120-16122.

60-Subventions for Open Space:

California Constitution, Article XIII, Section 8; Government Code Sections 16100-16101.5 and 16140-16154; Revenue and Taxation Code Sections 421-430.5.

### MAJOR PROGRAM CHANGES

- General Fund support for Williamson Act Open Space Subventions is eliminated beginning in 2008-09, for ongoing savings of \$34.7 million per year.
- General Fund support for the Senior Citizens Property Tax Deferral program is reduced by \$6.5 million in 2008-09, and is eliminated beginning in 2009-10. Ongoing savings are estimated at \$32 million per year.

### DETAILED BUDGET ADJUSTMENTS

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Property Tax Deferral - Workload Adjustment	\$-	\$-	-	\$6,200	\$-	-
• Homeowners' Property Tax Relief - Workload Adjustment	-3,072	-	-	2,113	-	-

\* Dollars in thousands

## 9100 Tax Relief - Continued

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Totals, Other Workload Budget Adjustments</b>	<b>-\$3,072</b>	<b>\$-</b>	<b>-</b>	<b>\$8,313</b>	<b>\$-</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>-\$3,072</b>	<b>\$-</b>	<b>-</b>	<b>\$8,313</b>	<b>\$-</b>	<b>-</b>
<b>Policy Adjustments</b>						
• Reduce Senior Property Tax Deferral Program in Current-Year, Eliminate in Budget-Year	-\$6,500	\$-	-	-\$32,000	\$-	-
• Williamson Act Elimination - Special Session	-34,740	-	-	-34,740	-	-
<b>Totals, Policy Adjustments</b>	<b>-\$41,240</b>	<b>\$-</b>	<b>-</b>	<b>-\$66,740</b>	<b>\$-</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>	<b>-\$44,312</b>	<b>\$-</b>	<b>-</b>	<b>-\$58,427</b>	<b>\$-</b>	<b>-</b>

## PROGRAM DESCRIPTIONS (Program Objectives Statement)

## 10 - SENIOR CITIZENS' PROPERTY TAX ASSISTANCE

The Senior Citizens' Property Tax Assistance Program provides financial assistance to qualified California homeowners who are 62 years of age or older, and to blind or disabled residents regardless of age. The Franchise Tax Board administers this program.

## 20 - SENIOR CITIZENS' PROPERTY TAX DEFERRAL PROGRAM

The Senior Citizens' Property Tax Deferral Program allows eligible homeowners to defer payment of residential property taxes. The state pays the deferred taxes to local governments on behalf of the participants, and places a lien on their property to assure repayment when the property is sold or transferred. The State Controller administers this program.

## 30 - SENIOR CITIZEN RENTERS' TAX ASSISTANCE

The Senior Citizen Renters' Tax Assistance Program provides financial assistance to eligible low-income renters who are 62 years of age or older, and to blind or disabled renters regardless of age. The Franchise Tax Board administers this program.

## 50 - HOMEOWNERS' PROPERTY TAX RELIEF

In order to reduce California taxpayers' property tax burden, the California Constitution exempts homeowners from paying property taxes on the first \$7,000 of the assessed value of their principal place of residence. The Constitution requires the state to reimburse local governments for revenues lost due to the homeowners' exemption.

## 60 - SUBVENTIONS FOR OPEN SPACE

The Williamson Act permits cities and counties to enter into contracts with landowners to limit the use of land to agricultural, scenic and open-space purposes. Article XIII, Section 8, of the California Constitution permits land under such restrictions to be assessed at other than market value based on its limited use. The state provides reimbursements to cities and counties to partially defray the loss of property tax revenues. The Department of Conservation administers this program.

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

2 LOCAL ASSISTANCE	2007-08*	2008-09*	2009-10*
<b>0001 General Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$688,853	\$503,005	\$444,578
Adjustment per pending legislation	-	-41,240	-
Increase expenditure authority per Provision 5	1,040	-3,072	-
<b>Totals Available</b>	<b>\$689,893</b>	<b>\$458,693</b>	<b>\$444,578</b>
Unexpended balance, estimated savings	-20,795	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$669,098</b>	<b>\$458,693</b>	<b>\$444,578</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$669,098</b>	<b>\$458,693</b>	<b>\$444,578</b>

\* Dollars in thousands

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